



NEWS RELEASE

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FOR IMMEDIATE RELEASE

FORMER CALIFORNIA CEO SENTENCED FOR FRAUD IN PHARMACEUTICAL KICKBACKS

KANSAS CITY, Mo. – Todd P. Graves, United States Attorney for the Western District of Missouri, announced that a California man was sentenced in federal court today for defrauding his employer by accepting secret kickbacks for negotiating a contract to purchase Lipitor and Bextra from a Missouri pharmaceutical firm.

Christopher Wayne Lamoreaux, 35, of Anaheim, Calif., was sentenced by U.S. District Judge Howard F. Sachs this afternoon to one year and nine months in federal prison without parole. The court also ordered **Lamoreaux** to pay \$115,278 in restitution to NuCare Pharmaceuticals, Inc.

On July 15, 2004, a jury convicted **Lamoreaux** of two counts of mail fraud.

Lamoreaux was formerly the president and CEO of NuCare, a California firm that supplies drugs to urgent care facilities, indigent clinics, and occupational health clinics. NuCare is also a licensed repackager of pharmaceuticals.

In late 2002, Graves said, **Lamoreaux** negotiated a contract with Albers Medical, Inc., on behalf of NuCare. Under this agreement, Graves said, NuCare purchased Lipitor and Bextra on consignment from Albers, repackaged the drugs at its facility, and then shipped the drugs to Med-Pro, another repackaging company in Lexington, Neb. **Lamoreaux** was paid a five percent commission of \$1,692 on the \$740,000 in profits NuCare earned through these transactions.

“While **Lamoreaux** was supposedly negotiating the best deal for his employer and earning a commission for his work,” Graves said, “he was also scheming to line his own pockets. These secret kickbacks not only violated the trust of his employer, they violated the law.”

On March 11, 2003, **Lamoreaux** abruptly resigned from NuCare, after which the

company learned of the fraud scheme. **Lamoreaux** had secretly received more than \$115,000 in illegal commissions from Albers, Graves said. Those commissions were paid to Consulting Ventures LLC, a business entity created by **Lamoreaux** in January 2003. The two counts of the Nov. 21, 2003, federal indictment, Graves explained, are related to the two commission checks sent from Albers to Consulting Ventures, via United Parcel Service, from Missouri to California.

“**Lamoreaux** had a legal and ethical obligation to disclose his personal financial interest in these business contracts,” Graves said. “This fraud was harmful to NuCare, which lost both the honest services of its employee and a fair price and reasonable profit from its contract with Albers.”

This case was prosecuted by Senior Litigation Counsel Gene Porter. It was investigated by the Food and Drug Administration – Office of Criminal Investigations.

This news release, as well as additional information about the office of the United States Attorney for the Western District of Missouri, is available on-line at
www.usdoj.gov/usao/mow